



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Michael O. Leavitt
Governor

Ted Stewart
Executive Director

James W. Carter
Division Director

355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, Utah 84180-1203
801-538-5340
801-359-3940 (Fax)
801-538-5319 (TDD)

September 21, 1993

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Site Inspection, North American Resources, Ute and Wino Mine, S/001/019, Beaver County, Utah

Date of Inspection: September 17, 1993
Time of Inspection: 1:00 p.m. - 6:00 p.m.
Conditions: Sunny, cool
Participants: Jeffrey L. Sagers, Company Representative; Wayne Hedberg, DOGM

Purpose of Inspection: To evaluate the proposed mine site area prior to actual initiation of mining. The operator has an approved small mining permit but is considering initiating the development or filing of a large mine plan for the area.

I met Mr. Sagers in Milford. We had lunch before proceeding out to the site. This is called the Indian Queen mine, the Ute and Wino claims. This is a piece of patented property that has been leased from Mr. Thorp Wattingham. The site is located approximately 19 1/2 miles from Delta on Highway 21. Turn north, or right, off the main highway onto the principle dirt access road and travel approximately 5 - 5 1/2 miles to the mine site area.

Mr. Sagers believes he has a series of markets for this white marble. The operation will consist of a small quarrying operation, drilling and blasting the marble into dimension stone, principally. They also will be crushing some of the marble to aggregate sizes through setting up of a crushing facility and a stockpiling area for the various types of products that will be produced for markets.

All the roads into the area are existing and will be upgraded and maintained by the county. Mr. Sagers showed me two different areas on the Indian Claims group, where they are proposing to initiate mining activities. To date, they have not determined which of these sites they will mine first. They have drilled two small core holes, which have not been completed due to equipment failure and breakdown, at the more northern of the two sites near the old abandoned Indian Queen mine. Mr. Sagers indicates that once the compressor has been repaired, he will continue to complete these two holes and perhaps drill a series of additional core holes to determine the extent and depth of the marbleized deposit in this area.

A representative of Salt Lake seismic company had been out on the site with Mr. Sagers the morning of my inspection, to assist him in making a determination as to which of the sites would be most favorable to mine first.



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Further investigation, testing and drilling will probably need to be performed before the final decision is made on which deposit to initiate mining on and how it will be mined.

The mine site area is located on privately held patented lands. Mr. Sagers did indicate that he was planning on meeting or contacting Mr. Jerry Mansfield, of State Lands and Forestry, within the next couple of weeks, to discuss possible acquisition of a mineral lease to some marble deposits located on State Lands immediately adjacent to this patented property. The marble deposits are located on the west facing flanks of the San Francisco Mountains. The extent of the marbleized limestone in this area is very expansive. The area has received significant amounts of historic mining for precious metals, in the past. The majority of these mines, if not all, have since been abandoned or long since suspended. There are no known active mines in this general vicinity at the present time.

While in the area, we also investigated the site of a previous disturbance that is also a small marble quarry that is located on a section of patented property to the south of the proposed area. Mr. Sagers apparently had an interest in this piece of property, but there is some ongoing question of ownership with an attorney, Mr. Joe Williams, that is apparently claiming to be the principle owner of this property at the present time. Mr. Sagers indicated that this may become a legal issue, pending the current operators or owners planned intention of recommencing mining activities in this area. This property is located fairly close to the old Cactus mine, which was an open pit, precious metals operation, again being located on patented lands on the west flanks of the San Francisco Mountains.

This particular area had been steel gated, but someone had utilized dynamite to blow the lock off from the gate to gain access to the area. Apparently, someone has mined a small portion of marble and removed it from this small quarry. Approximate disturbance in this area would be visually estimated at 1/2 acre.

Several photos were taken of all the sites visited for file records.

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